

JULY 14, 2015

**CITY OF GUNNISON COUNCIL
REGULAR SESSION MEETING MINUTES**

7:00 P.M.

The City Council Regular Session meeting was called to order at 7:01 P.M., by Mayor Hagan, with Councilors Ferguson, Drexel, Morrison, and Schwartz present along with City Attorney Fogo, City Manager Coleman, City Clerk Davidson, Acting City Manager/Police Chief Robinson, Finance Director Cowan, IT Administrator Lee, many citizens and the press. A Council quorum was present.

Consideration of Minutes of June 23, 2015, Regular Session Meeting. Councilor Schwartz mentioned a typographical error on page one and Councilor Drexel asked that his report on four of the minutes be amended to read that Region 10 assisted in facilitating a business loan between a local bank and the business in Paonia. It was not from the Region 10 Loan Fund. City Clerk Davidson indicated she would make the changes.

Councilor Ferguson moved and Councilor Drexel seconded the motion to approve the Regular Session Meeting Minutes of June 23, 2015, as amended.

Roll call vote, yes: Ferguson, Drexel, Hagan, Morrison, Schwartz. So carried.

Roll call vote, no: None.

Pre-Scheduled Citizens:

Chamber of Commerce Update and Discussion on Visitor Center Operations – Executive Director Tammy Scott and Board President. Ms. Scott and Chamber Board President Ryan Johnson came forward to address Council. City Manager Coleman informed Council that the City granted the Chamber \$13,500 in the 2015 Budget for the operations of the visitor center. Last year, in the Contract for Service signed by the Chamber, Council stipulated the Chamber to explore alternative funding sources for visitor center operations, to represent all city businesses equally to visitors at the center and to make a report on these issues to Council by July 1, 2015. He and Finance Director Cowan met with Chamber representatives several times this spring and discussed possible alternate funding sources.

Ryan Johnson, Chamber Board of Directors President reviewed the 2014 Visitor Center information. The center saw over 63,000 visitors last year. The Chamber made 115,000 business referrals by telephone or in person, and they assisted 17 groups visiting the Gunnison Valley, including Ride the Rockies tour and the Harley Owners motorcycle Group. The Chamber membership represents 5,600 jobs in the Valley, offers business support classes, operates the Gunnison Valley Leadership Program, organizes multiple community events and is run by one full time director and a less than half time assistant. The Visitors Center has stripped down operational costs significantly in the past few years. Only 18% of the Visitor Center operating costs come from governmental entities. The Chamber of Commerce membership is subsidizing the visitor center operations.

Mr. Johnson then gave Council the proposal to fund the Visitor Center. They are proposing for businesses that pay City sales tax, and currently keep 5% of their tax as a vendor fee, be reduced to a 4% vendor fee retainage and the other 1% be paid to the City and then remitted to the Chamber for operations of the Visitor Center. The City currently has one of the highest vendor fees allowed in the state and the City does not require a business license. The Chamber Board of Directors feels it is a win-win situation. Taxpaying businesses would get their business listed on the Chamber webpage. Chamber members would be displayed in bold and would have a link to their business website. The Chamber would like to start the program in September.

Council discussion ensued. Discussion items included: the staggered representation of businesses who are Chamber members vs those who are not; the number of businesses in Gunnison who are Chamber members (unknown at this meeting time); outreach to non-Chamber members; Chamber recruitment; benefits of Chamber membership; the re-location of the restroom in Legion Park to be connected to the Chamber building; the annual Chamber membership drive; the need for all businesses to be represented on the same level on the website and at the Visitor Center if they all share in a reduced vendor fee to support operations at the Visitor Center; and the need of more outreach to both Chamber and non-Chamber members about the proposal. Consensus was for the Chamber to conduct more outreach to non-Chamber members regarding the proposal and get the information back to Council.

If the proposal is agreed upon, a change to the Gunnison Municipal Code sales tax section will have to be done and this takes two ordinance readings. Council looks forward to receiving more information for them to base their decision upon.

Chamber Director Scott then reviewed the quarterly cost of living data included in Council's packets and reviewed the recent activities. Local businesses are reporting that business is up with some speculating that some increase is due to last year's fires in the southern part of the state that drove people into the Gunnison Valley. They enjoyed last year's visit so they returned this year. The Chamber is assisting with the motorcycle adventure riders group, with the Writing in the Rockies Conference, an economics of hunting workshop that will be taking place and a Colorado Workforce Development Conference. Director Scott then reviewed the Chamber membership flyer that was included in their packets. Council thanked the Chamber for their update and presentation of their proposal. The Chamber will be rescheduled for a visit to Council for a presentation of additional information from local businesses on the vendor fee Visitor Center funding proposal.

Draft 2014 City Financials Audit Presentation – Tyra Litzau, CPA of Anton, Collins, Mitchell, LLP and Finance Director Ben Cowan. Director Cowan and Ms. Litzau came forward and addressed Council. Ms. Litzau indicated there were two documents for them to peruse. One is the Audit Wrap-Up and then the audit financial review pages. The audit was conducted on a risk-based audit approach. Audit topics discussed included the following: the Management's Discussion and Analysis Report; the basic financial statements for the enterprise and general funds; current assets and current liabilities; long-term debt and debt maturities; the volunteer fire fighter's pension fund; and the audit is an unqualified audit. This means there are no reported problems or deficiencies with the 2014 financials. The City is in good financial shape and there are no known problems identified. Director Cowan thanked the Auditors for their professionalism and thoroughness. The standard report is now not a one page overview like in the past but the Audit Wrap-up as presented. He informed Council if they have any questions to let him know. City Manager Coleman stated the Auditors were very professional and that the Finance staff displayed a good team effort in getting the audit accomplished. The City has good financial checks and balances in place.

Unfinished Business: None.

New Business:

Regional Broadband Project Update - City IT Administrator Mike Lee (discussion item only). Mr. Lee stated he attended the Region 10 meeting where the /Region 10 DOLA Grant was discussed. The grant is for a regional broadband project. Phase I of the project includes Delta and Montrose working with the DMEA. Phase I will hopefully be funded to a 10 million dollar level in August. Phase II includes extending the broadband base to Lake City, Gunnison, Naturita and points in between. They hope to use Tri-State Electric lines and the resulting project will increase redundancy. At the meeting today it was stated that using the WAPA/Tri-State lines is not a go at this time. Another option is to install a microwave system but there are problems with bandwidth. City Manager Coleman stated he spoke with County Community Development Director Russ Forest today who indicated the local stakeholders need more information before budget decisions and commitments can be made for 2016 funds for the matching Phase II grant funds. Discussion ensued from Council. The City's share could be \$250,000 for the grant match. It was agreed that more information is needed before pledging matching grant funds. Mayor Pro Tem Drexel explained the push from Region 10 for decisions stems from the fact that DOLA funds are currently available specifically for broadband projects but if Region 10 waits, DOLA funds will be available but will not be specific for broadband projects. Council thanked Mr. Lee for taking on the duty of following broadband projects in the Valley.

Ordinance and Resolutions:

Ordinance No. 7, Series 2015, Re: City Criminal Code Marijuana Violations; 1st Reading. Councilor Ferguson introduced Ordinance No. 7, Series 2015, and it was read by title only by the City Attorney.

Councilor Morrison asked about the definition of a secure area regarding personal cultivation of marijuana. Chief Robinson explained it means there is no available physical or visual access to the plants by anyone other than the grower.

Councilor Schwartz asked for clarification on Section 7 of the Ordinance regarding 5.10.187(C), employee's immunity and rendering aid. Following discussion the section was amended to clarify that it pertains to a licensee, employee or agent of a marijuana establishment working within the scope of their employment.

Councilor Morrison moved and Councilor Schwartz seconded the motion that Ordinance No, 7, Series 2015, **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, AMENDING TITLE 5 GENERAL OFFENSES, CHAPTER 5.10 GENERAL OFFENSES OF THE CITY OF GUNNISON MUNICIPAL CODE, RELATED TO MARIJUANA**, be introduced, read, passed and ordered published as amended by title only on first reading this 14th day of July, 2015.

Roll call vote, yes: Drexel, Hagan, Morrison, Schwartz, Ferguson. So carried.

Roll call vote, no: None.

City Attorney Kathleen Fogo: no report this evening.

City Manager: Ken Coleman reported on the following: progress is being made on the Senior Addition; the Gun Show will take place this weekend and there are approximately 30 tables purchased; discussion with CDOT continues on the Highway Corridor Project and we are moving up the "Chain of Command" in District three and will be working with the person in charge of bicycle transportation at that agency; staff hopes to have work start in August on the demonstration project; there will be an Airport Master Plan Open House at the Airport on July 22nd; the investment committee met and received good advice from a broker; work on capital improvements planning is starting; and slurry sealing should start in about 2 weeks.

Acting City Manager: PD Chief Keith Robinson: informed Council WSCU is hosting the Law Enforcement Explorer Scout Group this week through Friday.

City Clerk: Gail Davidson informed Council she continues to field calls regarding the application and licensing process for marijuana establishments in the City.

WSCU Liaison: Absent until fall semester.

Non-Scheduled Citizens: None.

City Council Discussion, Meeting Reports, Items for Work Session:

Councilor Morrison: reported she attended the RTA meeting last Friday morning. The RTA voted to bring a tax increase question to the ballot in November. The increase will be used for additional bus service and senior transportation. A county-wide RTA tax equalization question will also be on the ballot. Along with the Mayor, she attended the Trails Commission meeting yesterday. There is a lot of trails work taking place including student groups working on reconfiguration of trails at Hartman Rocks. She attended the Citizens for Safe Streets meeting and their goal is to educate people regarding bicycle and pedestrian safety. The group is ready to assist staff with the process. She sees it as a positive step and communication is the key.

Councilor Schwartz: reported he too attended the Safe Streets meeting. Education about the demonstration projects needs to be done to get everyone on board. City Manager Coleman stated this is just the beginning of the bigger plan. Councilor Schwartz reported the Planning Commission will be talking about the One Valley Prosperity Project tomorrow night. He attended the Investment Committee meeting and found it very interesting and informative. The City needs to have a better return on our investments rather than the low interest CDs.

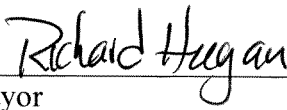
Councilor Ferguson: suggested that Council hear a presentation on the Better Cities Project at a future Work Session meeting. The City Clerk stated that presentation will take place at the Council Work Session on August 11th.

Mayor Pro Tem Drexel: informed Council he spoke with Councilor Morrison about narrowing the streets. He has had comments from drivers about how difficult it already is for trucks to make turns at Main and Tomichi. If we make it more difficult we will force the larger vehicles to use the residential streets. Mayor Pro Tem Drexel then brought up the possibility of having a four way stop at the Main and Tomichi intersection. Lastly, he has received comments about allowing ATVs

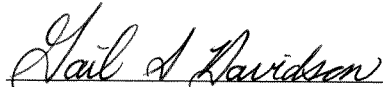
on City streets. They are allowed on the streets in Pitkin. Councilor Ferguson stated they are also allowed in Lake City and there are many being used there.

Mayor Hagan: reported the ground has been broken for the Anthracite Place housing development in Crested Butte. He attended the Mayors/Managers meeting in Pitkin last week. It wasn't really well attended but there was an interesting discussion on the Vacation Rentals By Owners issue. Many communities are dealing with the issue. Mayor Hagan then asked about the timeline on the Comprehensive Plan. City Manager Coleman stated the Community Analysis is complete and the spring of 2016 is the target completion date at this time. Of course, that depends on additional assigned work projects.

Adjournment: Mayor Hagan called for any further discussion from Council, staff or the public, and hearing none, adjourned the meeting at 9:21 P.M.



Mayor



City Clerk